



*A place where families and businesses thrive.*

CITY RECORDER USE ONLY:

AGENDA ITEM #: \_\_\_\_\_  
MEETING DATE: 02/08/2021  
FINAL ACTION: Work Session: \_\_\_\_\_

## CITY COUNCIL STAFF MEMORANDUM

**TO:** *City Council*

**FROM:** *Jesse VanderZanden, City Manager  
Paul Downey, Administrative Services Director  
Bryan Pohl, Community Development Director*

**MEETING DATE:** *February 8, 2021*

**SUBJECT TITLE:** *Homelessness Work Session*

<b>ACTION REQUESTED:</b>	<b>Ordinance</b>	<b>Order</b>	<b>Resolution</b>	<b>Motion</b>	<b>X</b>	<b>Informational</b>
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*X all that apply*

### **BACKGROUND:**

At the January 25 City Council regular meeting, the Council directed staff to hold a work session to update Council on homelessness efforts with the purpose of providing a framework to explore the city's role and responsibility at the work session and/or during the annual retreat.

Homelessness is a complex and multi-faceted issue with many intersecting and sometimes overlapping layers of which entities provide which services. The analysis below is by no means complete or comprehensive but rather is provided as a very broad summary to enable successively informed discussions.

### **Federal Government**

The Federal government addresses homelessness principally through the issuance of grants to qualifying state and local governments and non-profits by the Department of Housing and Urban Development (HUD), Department of Veterans Affairs (VA), Department of Education (DOE) and Department of Health and Human Services (HHS). Traditional programs include, but are not limited to, the Continuum of Care grant program, Community Development Block grant program, Emergency Services grant program, and the Housing Choice Voucher Program (Section 8).

Staff was unable to discern how much federal assistance is traditionally provided; however, recent COVID-related federal assistance for coronavirus outbreaks among individuals and families who are experiencing homelessness in Oregon amounted to approximately \$32 million in April, 2020, of which approximately \$1.9 million was allocated to Washington County; and \$68 million in June, 2020, of which \$2.2 million was allocated to Washington County. This represents new resources in addition to existing resources traditionally provided through the above programs.

## **State Government**

The State administers homeless programs and grants through the Oregon Housing and Community Services (OHCS) department. The OHCS makes state and federal grant funds available to community action agencies (CAA's) and other providers throughout the state. Examples of programs and grants include emergency housing assistance, elderly rental assistance, community services block grant, housing stabilization program, and the state homeless assistance program.

The local CAA in Washington County is Community Action, a non-profit that administers utility assistance and housing stability services for qualifying individuals in Washington County. These programs include Community Connect, a coordinated entry system that helps people experiencing homelessness to find possible housing options in Washington County [503-640-3263]. They also include Emergency Rent Assistance for income-eligible Washington County residents who are past due on their rent [503-615-0770]. The city coordinates extensively with Community Action to assure income-eligible residents avail themselves of these programs.

## **Regional Government (Metro)**

In May 2020, voters within Metro approved a measure to collect a 1 percent tax on all taxable income of more than \$125,000 for individuals and \$200,000 for joint filers and a 1 percent tax on profits from businesses with gross receipts of more than \$5 million for supportive housing services for people experiencing homelessness or at risk of experiencing homelessness. The tax becomes effective January, 2021, with tax revenues being received in April. Revenue estimates were not available.

Revenues will be distributed proportionate to the tax revenue estimated to be collected from individuals in those counties. Washington County agencies are slated to receive 33.3 percent of the proceeds with funds distributed as rent assistance through qualifying local housing agencies (Washington County, Hillsboro, and Beaverton), and service contracts with local social service and health care providers who serve people experiencing homelessness and housing insecurity. Oversight is provided by a 20-member committee from across the region.

Relatedly, in November, 2018, voters approved a \$652.8 million general obligation bond, funded by property taxes, to create affordable housing for approximately 12,000 people within Metro by buying land and funding construction for new affordable rental and owned homes and buying and renovating market rate housing to convert to permanently affordable homes. Bond proceeds are distributed across the region to create 34% of the homes in Washington County, 21% in Clackamas County, and 45% in Multnomah County. Bond proceeds are distributed to eligible housing agencies in Washington County including Washington County, Hillsboro, and Beaverton.

## **Washington County**

An important distinction is warranted here. As noted above, Washington County, Hillsboro, and Beaverton are considered entitlement communities because they meet the federal definition of a housing agency (city with a population of at least 50,000 or urban counties with populations of at least 200,000) and are, therefore, eligible for state and federal entitlement and grant monies that the

City is not eligible for. These monies are used to administer the County's Department of Housing Services whose services include, but are not limited to, acquisition of real property, relocation and demolition, rehabilitation of residential and non-residential structures, certain income payments, and construction of new affordable housing.

The City of Forest Grove, as with all other cities in Washington County (and Oregon) under 50,000 in population, partner with and rely on Washington County (or their home county) for housing services as they have a dedicated funding stream to address this issue. The City of Forest Grove does not have a funding stream, nor is it eligible to directly receive these county, state, and federal entitlement and grant monies for housing. As a result, Forest Grove has relied on local Community Enhancement Program grant monies to help fund needed social services.

Additionally, Washington County receives all federal and state funding for the administration of social services, namely the Department of Health and Human Services. Programs within this department include, but are not limited to, mental health; disabled, aging and veterans; women, infant and children; and disease control and prevention. For example, the Hawthorne Walk-In Center, a non-profit dedicated to providing urgent care for mental health, addiction, and persons experiencing homelessness, is partially funded by county monies received by the state and/or federal government.

The County also has a Department of Housing Services (DHS) whose mission is to provide a continuum of affordable housing options. The Department includes the Housing Authority, a separate legal entity that contracts with the County to implement and administer Housing Authority programs and all support services (e.g. finance, purchasing, and personnel); and is the lead agency for the County's plan to end homelessness. The DHS offers rental assistance to low income households through various federally funded programs and also creates affordable housing opportunities for low and moderate income households through a combination of creative financing and partnerships with non-profits and private entities. Lastly, DHS also administers the Point in Time survey to gauge the number of homeless persons in the County.

The County is the lead agency for the "The Road Home", a plan to end homelessness in Washington County. The County's homeless efforts are guided by the 17-member Homeless Plan Advisory Committee which includes a representative from each of the following categories: Washington County Commissioner, a mayor or city councilor, philanthropy, business, Housing Authority of Washington County, a nonprofit housing provider, a nonprofit service provider, Washington County Sheriff's Office, Washington County Community Corrections, state or federal entitlement/mainstream resource programs, a representative from the two major hospitals, a representative from the faith community, 3 citizens at-large and a homeless/formerly homeless consumer. Forest Grove City Councilor Elena Uhing serves on this committee.

### **City of Forest Grove**

In 2018, the City passed an ordinance allowing property tax exemptions to non-profit organizations that build eligible affordable housing for low-income households earning at or below 60% of the Area Median Income. The City also passed a density bonus to incentivize affordable housing in the community commercial zone at or below 60% of the Area Median Income.

The City has provided housing and/or social services through Community Enhancement Program (CEP) grant funds. CEP funds are programmed by Metro and are derived from solid waste tonnage at the Waste Management Disposal Site in Forest Grove. CEP funds can be used to award grants to local non-profits to provide housing and social services. The City awards approximately \$100,000/year in these funds - among the highest per capita in grant awards in the County.

Prior to CEP funds becoming available some 30 years ago and prior to the 5-year Local Option Levy, the City dedicated 1/10 of 1% of the City's total operating budget to the administration of social services and awarded those funds to eligible non-profits. Only general fund monies were used to fund these social services. The amount awarded then, adjusted for inflation, is about the same amount that is awarded now through CEP. Additionally, please recall the 5-Year Local Option Levy was dedicated to Police, Fire, Parks and Library and did not contain any provisions for housing or social services.

In 2019, the City partnered with the Temporary Emergency Shelter Program to amend the Development Code to define and allow temporary shelters in the downtown core under certain conditions. The City is currently working collaboratively with Project Homeless Connect and the Forest Grove Foundation to respond to multiple inquiries about zoning for certain properties being considered for possible homeless sheltering.

This past year, the CEP Committee, composed of the City Council and Metro Councilor Juan Gonzalez, created a new grant program called the Impact Grant. The Impact Grant is awarded once every three years to a qualifying non-profit for up to \$40,000/year (the previous maximum was \$10,000/year) for a maximum of \$120,000 over three years. Projects or programs are intended to emphasize direct services, innovation and creativity, measurable outcomes, financial sustainability, and collaboration with community partners. In recognition of funding social services, the CEP Committee stated specifically that capital projects are not eligible for Impact Grant funding.

The Impact Grant was awarded to the Forest Grove Foundation in July, 2020, to assist with homelessness. Staff recently completed a preliminary review of the grant contract and has provided it to Council. The temporary emergency shelter model has changed significantly due to COVID from a congregate to a non-congregate model; in essence, having guests stay in rooms separated from one another in lieu of persons congregated in one room without separation.

Community Action Organization, a local non-profit, offers a low-income energy assistance program using federal funds for that purpose. The City also offers the Customer Assistance Program for electricity and water for low-income households. The City budgets \$75,000/year for electric and \$40,000/year for water. The City programs utilize the same qualifications as Community Action's Utility Assistance Program.

In response to the pandemic, the City staff also facilitated communications and coordinated the delivery of essential food services among 7 local providers including the School District, Pacific, Senior Center, Oregon Food Bank, Washington County, and more. This included utilizing the National Incident Management System (NIMS) to draw all providers together and provide a common platform to coordinate and deliver services.

This also involved signing up and training volunteers under the City's volunteer program and allowing them access to the Fire Station, parking lot, and fueling station to securely store and fuel the food truck. The Forest Grove Foundation recently purchased a new food truck to deliver food services that was funded through the County using CARES monies. The City is providing space to securely park the truck. The City is working on a transition plan with the Foundation to find a long-term parking location and funding for fuel for which the Foundation is seeking grant funds. The food truck is used nearly daily to administer food services to persons experiencing homelessness.

## **Non-Profits**

There are many non-profits that address homelessness and nearly all of them are eligible for city, county, state, and/or federal funding, provided they meet the program requirements. Most non-profits are also eligible for tax-deductible private donations. Below are a few examples of local non-profits that provide homelessness services – these are provided for context only and not intended to represent an exhaustive list – any omissions is purely incidental.

**Forest Grove Foundation:** as noted above, the City grants \$40,000/year to the Foundation to provide homelessness services. The Foundation is currently providing homeless outreach services that includes direct contact with persons experiencing homelessness and assisting them with basic services such as food and shelter. This also includes referrals to shelters and social services and coordinating with volunteers and non-profits to provide essential food and shelter.

The Foundation also coordinates the Anti-Poverty Work Group which seeks to coordinate local homeless efforts and is composed of local non-profits, faith groups, and City representatives. The Foundation is working with the City on storing and staffing the food truck. Lastly, the Foundation has been assisting parties interested in purchasing facilities to provide long-term sheltering options.

**Community Action:** Community Action has agreements with Washington County using federal, state, and county funding, to administer utility assistance and homeless service programs. The utility assistance program is for low income households and pays for electricity. For residents of Forest Grove, the City also offers a Customer Assistance Program if these funds are depleted.

The homeless services program administers Community Connect, a one-stop coordinated entry system that helps people experiencing homelessness or at imminent risk of homelessness to find community resources, including housing options, in Washington County by calling Community Connect at 503-640-3263 to find out if help is available. Community Action has staff on hand to schedule a one-hour assessment appointment with clients to determine the community resources and programs that might best support their needs. If a client is eligible, referrals will be made to partner agencies based on the assessment of need and available housing beds/units.

**Centro Cultural:** Since the pandemic, Centro Cultural has offered expanded services for those experiencing homelessness including food and sheltering options and facilitating communications to other providers of assistance.

**Family Promise:** Family Promise is a program serving families experiencing homelessness by providing temporary day and night shelters, case management (coaching) resources, advocacy and



referrals for families with children that reside in their shelter program. The day house is a home where they can store their food, prepare breakfast and lunch, care for their children, shower, do laundry and access onsite case management (a requirement of the program) to work towards becoming self-sufficient and moving into a home of their own.

Shelters are provided at local church congregations. Families rotate weekly among congregations in Hillsboro (4), Aloha (1), Beaverton (1), Cornelius (1), and Forest Grove (3). Each host congregation provides overnight sleeping accommodations in a private room set aside for each family and 2 overnight volunteers also sleep at the church to provide a safe caring community.

**Boys & Girls Aid:** Boys and Girls Aid offers programs focused on preventing homelessness for youth and young adults (12-20) by providing safety and the opportunity to put long term plans in place. They administer the 24/7 Safe Place shelter where youth can access essential services while longer-term housing is found. They offer the Compass program which supports youth aging out of the foster care system by providing services to help them during this transition. And, they provide the Transitional Living Program that supports young adults who face housing instability or homelessness by providing services that enable them to become self-sufficient.

### **DISCUSSION:**

City Council Objective 3.1 states “Partner to help those experiencing homelessness.” Since the objective’s inception in April, 2020, the City developed the first-ever Impact Grant Program, solicited proposals, and the Council awarded 40% of future CEP funds - \$40,000/year for three years – to the Forest Grove Foundation to assist with homelessness.

In addition, the City partnered with the Foundation to coordinate, secure, store, and volunteer for the delivery of essential food services during COVID. The City continues to participate in work groups to bring parties together and coordinate the delivery of essential services. These efforts built upon plan and code amendments to incentivize affordable housing for those at or below 60% AMI and the Urban Renewal Board requesting affordable housing in the development of Site B.

Staff encourages Council to explore the role and responsibility of the City in addressing homelessness to enable refinement of the goals and objectives at the 2021 Annual Retreat. Some questions to enable discussion include:

- Recognizing the funding and service limitations placed on cities and the services offered by existing providers, what is the City’s role in addressing homelessness?
- What are the trade-offs in funding and impacts to other services if the City’s role is reduced or expanded?
- How does long-term planning designed to address housing supply and incentivize affordable housing impact persons becoming homeless?
- Can additional CEP funding be used for homeless services and if so, what are the impacts?